From: Zerafa, Doug
To: Microsoft ATR
Date: 1/23/02 1:01pm
Subject: Microsoft Settlement

Here is my opinion of the Settlement,

The settlement as it is written now rewards Microsoft for its illegal practices as the settlement will allow Microsoft to crush the open source movement and for profit competition.

The following below are excerpts from others letters about this case. I wholeheartedly agree with the content of the following statments and present them as my own opinion:

Section III(J)(2) contains some very strong language against not-for-profits. Specifically, the language says that it need not describe nor license API, Documentation, or Communications Protocols affecting authentication and authorization to companies that don't meet Microsoft's criteria as a business: "...(c) meets reasonable, objective standards established by Microsoft for certifying the authenticity and viability of its business, ..."

This section should be reworded as "...(c) meets reasonable, objective standards established by the government (or other as yet defined independent body) for certifying the authenticity and viability of its business"

The agreement provides Microsoft with a rich set of strategies to undermine the development of free software, which depends upon the free sharing of technical information with the general public, taking advantage of the collective intelligence of users of software, who share ideas on improvements in the code. If Microsoft can tightly control access to technical information under a court approved plan, or charge fees, and use its monopoly power over the client space to migrate users to proprietary interfaces, it will harm the development of key alternatives, and lead to a less contestable and less competitive platform, with more consumer lock-in, and more consumer harm, as Microsoft continues to hike up its prices for its monopoly products.

Other comments:

Any remedy seeking to prevent an extension of Microsoft's monopoly must place Microsoft products as extra-cost options in the purchase of new computers, so that the user who does not wish to purchase them is not forced to do so. This means that for the price differential between a new computer with Microsoft software and one without, a computer seller must offer the software without the computer (which would prevent computer makers from saying that the difference in price is only a few dollars). Only then could competition come to exist in a meaningful way.

I personally believe that PC Manufacturers should allow customers to choose which non operating system components to install when purchasing a new PC, much like when you purchase a new car. I would like the choice of having pre-installed either Windows or Linux, Windows Media Player or Real Player or some other media player, Internet Explorer, Netscape, and / or Opera as my internet browser, AOL or MSN or other as my internet service provider. PC Manufacturers have the choice as to which of these packages they offer to consumers pre-installed at what price.

The specifications of Microsoft's present and future document file formats must be made public, so that documents created in Microsoft applications may be read by programs from other makers, on Microsoft's or other operating systems. This is in addition to opening the Windows application program interface (API, the set of "hooks" that allow other parties to write applications for Windows operating systems), which is already part of the proposed settlement.

Any Microsoft networking protocols must be published in full and approved by an independent network protocol body. This would prevent Microsoft from seizing de facto control of the Internet. Microsoft should also be forced to divest its holdings in Apple. This investment effectively means that

Microsoft not only controls the 90% + of the PC market but the remaining market of Apple computer

users.

Failure to address Ill Gotten Gains

Completely missing from the proposed final order is anything that would make Microsoft pay for its past misdeeds, and this is an omission that must be remedied. Microsoft is hardly a first time offender, and has never shown remorse for its conduct, choosing instead to repeatedly attack the motives and character of officers of the government and members of the judiciary. Microsoft has profited richly from the maintenance of its monopoly. On September 30, 2001, Microsoft reported cash and short-term investments of \$36.2 billion, up from \$31.6 billion the previous quarter -- an accumulation of more than \$1.5 billion per month. It is astounding that Microsoft would face only a "sin no more" edict from a court, after its long and tortured history of evasion of antitrust enforcement and its extraordinary embrace of anticompetitive practices -- practices recognized as illegal by all members of the DC Circuit court. The court has a wide range of options that would address the most egregious of Microsoft's past misdeeds. For example, even if the court decided to forgo the break-up of the Windows and Office parts of the company, it could require more targeted divestitures, such as divestitures of its browser technology and media player technologies, denying Microsoft the fruits of its illegal conduct, and it could require affirmative support for rival middleware products that it illegally acted to sabotage. Instead the proposed order permits Microsoft to consolidate the benefits from past misdeeds, while preparing for a weak oversight body tasked with monitoring future misdeeds only. What kind of a signal does this send to the public and to other large corporate law breakers? That economic crimes pay! Please consider these and other criticisms of the settlement proposal, and avoid if possible yet another weak ending to a Microsoft antitrust case. Better to send this unchastened monopoly juggernaut a sterner message.

Thank You Doug Zerafa